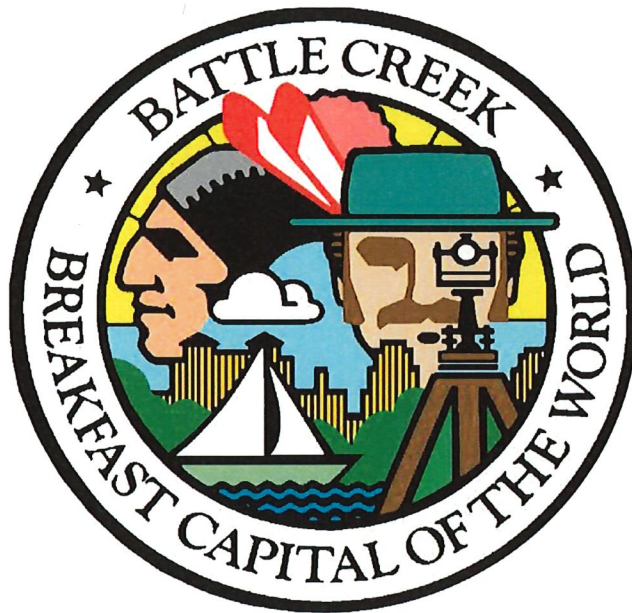


CITY OF BATTLE CREEK

FY 2021 BUDGET STATUS THROUGH 8/31/21



October 18, 2021

BUDGET POSITION SUMMARY AS OF AUGUST 31, 2021

- *This presentation of the budget position reflects two months of activity and is at an odd point in the fiscal year. Typically statements are prepared quarterly, thus a mid-quarter comparison has challenges, particularly in light of adjustments that are typically only made at year-end.*
- *This financial environment remains volatile, and there are many unknowns on the revenue side as well as the expenditure side. Management continues to monitor major revenue sources as well as departmental expenditures.*
- *For the Statement of Revenue, Expenditures and Changes in Fund Balance for the Two Months Ending August 31, 2021, references to funds being over or below budget are based upon 2/12 of the fiscal year being completed (July 1 – August 31); hence an assumption is made that 16.66% of the line item should be realized.*

For the Two Months Ending August 31, 2021:

General Fund Revenue: It is difficult to look at revenues *in total* at this point in time of the year. Property tax revenues for the entire fiscal year have been booked with preliminary numbers, thus revenue for those line items reflect 97% and 114% of the budget for real and personal property taxes respectively.

Income tax revenues are 4.24% more than the same period one year ago. It is still a surprising comparison, considering the continued remote work environment for many of our local employers. Management continues to closely monitor this important and large dollar revenue line item.

The Other intergovernmental revenue of \$429,211 in the prior year was the State's pass through of CARES Act funding in the form of CRLGG (Coronavirus Relief Local Governmental Grants). There has been no repeat of this funding source, nor is one expected.

Recreation revenues have rebounded from the same period one year ago (non-golf course revenue had no place to go but up) and show an increase of 87.93%. This revenue is not at the pre-COVID level of 2019, but the opening of facilities and running of programs has made progress towards the budgeted revenue goal. Approximately half of the current year Recreation charges for services is golf course-related versus the prior year that was almost 100%.

The large change in Police Services revenue is due to the reinstatement of school liaison officers that were very limited in the prior year.

Investment income has not been updated for August pool activity.

General Fund Expenditures:

Departments remain cautious with their expenditures. Some, however, are seasonal (e.g. Land Management in Community Development) and expenditures occur in the early part of the fiscal year making the comparison to 2/12 (16.67%) not very useful.

As was discussed during the FY22 budget process, the administrative allocation for the general fund is now shown as a negative expenditure in the Unallocated section of the financial statement rather than as an Other Revenue on the first page. This truly is an offset of general fund expenditures and has been reflected as such in all audited financial statements. The change was made during this budget adoption process, and the prior year actuals have been revised to make them more easily comparative. This revision results in the (\$397,210) for the two months ended 8/31/21 compared to the (\$413,329) for the same period one year ago.

OTHER FUNDS:

Major and Local Streets funds reflect very little revenue for the two months. This is a timing-only issue. Expenditures are 73% and 28% higher than the prior year in the major and local streets respectively. Neither, however, are higher than the 16.67% timing benchmark.

The next financial presentation will be for the quarter ended September 30, 2021 and will include updates from ALL funds as well as the typical charts and graphs that accompany the quarterly interim financial statements.

The audit for the year ended June 30, 2021 is currently in progress, and it is expected that the results will be presented to the City Commission in late December or early January.

CITY OF BATTLE CREEK, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Two Months Ending August 31, 2021

	Original Budget	Current Adjusted Budget	Current Year Actual	% CY Actual of Current Adjusted Budget	Prior Year Actual	% CY Actual Over (Under) PY Actual
Revenue						
Taxes:						
City Income Tax	\$ 13,820,000	\$ 13,820,000	\$ 2,060,034	14.91%	\$ 1,976,180	4.24%
Real Estate Taxes	\$ 14,256,384	\$ 14,256,384	\$ 13,822,552	96.96%	\$ 13,641,602	1.33%
Personal Property Taxes	\$ 1,717,538	\$ 1,717,538	\$ 1,956,530	113.91%	\$ 1,930,424	1.35%
Administrative Fees	\$ 700,127	\$ 700,127	\$ 535,900	76.54%	\$ 529,042	1.30%
Other Taxes	\$ 138,462	\$ 138,462	\$ 69,007	49.84%	\$ 68,461	0.80%
Total Taxes	\$ 30,632,511	\$ 30,632,511	\$ 18,444,022	60.21%	\$ 18,145,709	1.64%
Licenses and Permits	\$ 822,976	\$ 822,976	\$ 37,510	4.56%	\$ 35,428	5.88%
Intergovernmental:						
State Shared - Statutory	\$ 1,542,701	\$ 1,542,701	\$ -	0.00%	\$ -	0.00%
State Shared - Constitutional	\$ 4,582,809	\$ 4,582,809	\$ -	0.00%	\$ -	0.00%
Other	\$ 1,111,680	\$ 1,111,680	\$ 6,127	0.55%	\$ 400,619	-98.47%
Total Intergovernmental	\$ 7,237,190	\$ 7,237,190	\$ 6,127	0.08%	\$ 400,619	-98.47%
Charges for Services:						
Recreation	\$ 1,911,214	\$ 1,911,214	\$ 732,642	32.33%	\$ 389,848	87.93%
Police Services	\$ 1,346,319	\$ 1,346,319	\$ 405,222	30.10%	\$ 300,607	34.80%
Other	\$ 80,449	\$ 80,449	\$ 47,563	59.12%	\$ 9,513	399.96%
Total Charges for Services	\$ 3,337,982	\$ 3,337,982	\$ 1,185,427	35.51%	\$ 699,968	69.35%
Fines and Forfeitures	\$ 90,000	\$ 90,000	\$ 14,577	16.20%	\$ 7,955	83.23%
Investment Income	\$ 20,000	\$ 20,000	\$ (3,640)	-18.20%	\$ (2,584)	40.84%
Other:						
Rents and Leases	\$ 54,751	\$ 54,751	\$ 5,678	10.37%	\$ 22,500	-74.76%
Contributions and Donations	\$ 13,678	\$ 13,678	\$ -	0.00%	\$ 400	0.00%
Miscellaneous	\$ 487,050	\$ 487,050	\$ 926	0.19%	\$ 12,410	-92.54%
Administrative Reimbursements	\$ 201,820	\$ 14,372	\$ 1,149	7.99%	\$ -	0.00%
Total Other Revenue	\$ 757,299	\$ 569,851	\$ 7,753	1.36%	\$ 35,310	-78.04%
Total Revenue	\$ 42,897,958	\$ 42,710,510	\$ 19,691,776	46.11%	\$ 19,322,405	1.91%
Total Revenue Less Property Taxes	\$ 26,924,036	\$ 26,736,588	\$ 3,912,695	14.63%	\$ 3,750,379	4.33%

CITY OF BATTLE CREEK, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Two Months Ending August 31, 2021

	Original Budget	Current Adjusted Budget	Current Year Actual	% CY Actual of Current Adjusted Budget	Prior Year Actual	% CY Actual Over (Under) PY Actual
Expenditures						
General Government:						
Administration:						
Mayor & Commission	\$ 141,744	\$ 141,744	\$ 34,069	24.04%	\$ 32,610	4.47%
City Clerk	\$ 433,936	\$ 433,936	\$ 61,352	14.14%	\$ 51,824	18.38%
City Manager	\$ 1,059,844	\$ 1,059,844	\$ 144,526	13.64%	\$ 131,835	9.63%
City Hall	\$ 499,125	\$ 501,200	\$ 66,011	13.17%	\$ 80,059	-17.55%
Neighborhood Code Compliance	\$ 310,869	\$ 310,869	\$ 48,265	15.53%	\$ 40,283	19.81%
Labor Relations	\$ 291,747	\$ 291,747	\$ 18,537	6.35%	\$ 4,603	302.71%
Human Resources	\$ 459,891	\$ 459,891	\$ 45,151	9.82%	\$ 38,964	15.88%
Legal Department	\$ 1,047,505	\$ 1,047,505	\$ 147,748	14.10%	\$ 147,311	0.30%
Elections	\$ 246,643	\$ 246,643	\$ 12,356	5.01%	\$ 41,082	-69.92%
Civil Service	\$ 120,764	\$ 120,764	\$ 7,321	6.06%	\$ 7,073	3.51%
Total Administration	\$ 4,612,068	\$ 4,614,143	\$ 585,336	12.69%	\$ 575,644	1.68%
Community Development:						
City Planning	\$ 369,896	\$ 369,896	\$ 35,205	9.52%	\$ 43,787	-19.60%
Demolitions	\$ 119,800	\$ 130,576	\$ -	0.00%	\$ (229)	-100.00%
Weed Control	\$ 76,188	\$ 76,188	\$ 9,625	12.63%	\$ 15,265	-36.94%
Land Management	\$ 53,500	\$ 53,500	\$ 26,644	49.80%	\$ 21,257	25.34%
Total Community Development	\$ 619,384	\$ 630,160	\$ 71,474	11.34%	\$ 80,080	-10.75%
Revenue Services:						
Finance	\$ 982,975	\$ 982,975	\$ 134,477	13.68%	\$ 126,044	6.69%
Assessing	\$ 525,480	\$ 525,480	\$ 93,064	17.71%	\$ 99,333	-6.31%
Purchasing	\$ 364,367	\$ 364,367	\$ 58,083	15.94%	\$ 35,625	63.04%
Treasurer's Office	\$ 358,031	\$ 358,031	\$ 55,020	15.37%	\$ 52,046	5.71%
Income Tax Division	\$ 524,692	\$ 524,692	\$ 72,954	13.90%	\$ 80,906	-9.83%
Total Revenue Services	\$ 2,755,545	\$ 2,755,545	\$ 413,599	15.01%	\$ 393,954	4.99%
Total General Government	\$ 7,986,997	\$ 7,999,848	\$ 1,070,409	13.38%	\$ 1,049,678	1.98%

CITY OF BATTLE CREEK, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Two Months Ending August 31, 2021

	Original Budget	Current Adjusted Budget	Current Year Actual	% CY Actual of Current Adjusted Budget	Prior Year Actual	% CY Actual Over (Under) PY Actual
Expenditures (continued)						
Public Safety:						
Police Department:						
Administration	\$ 862,193	\$ 864,193	\$ 123,696	14.31%	\$ 148,028	-16.44%
Crime Lab	\$ 1,043,424	\$ 1,048,462	\$ 132,182	12.61%	\$ 122,460	7.94%
Investigation	\$ 1,657,622	\$ 1,657,622	\$ 237,988	14.36%	\$ 217,954	9.19%
Fleet Management/Vehicle Inspection	\$ 582,065	\$ 651,375	\$ 26,630	4.09%	\$ 23,828	11.76%
Special Investigative Unit	\$ 1,302,733	\$ 1,312,055	\$ 214,619	16.36%	\$ 170,888	25.59%
Fusion Center	\$ 644,206	\$ 644,206	\$ 88,573	13.75%	\$ 94,820	-6.59%
Records Management System	\$ 201,355	\$ 201,355	\$ 55,498	27.56%	\$ 53,048	4.62%
Management Services	\$ 922,068	\$ 923,139	\$ 114,806	12.44%	\$ 90,851	26.37%
Animal Control	\$ 574,385	\$ 574,385	\$ 52,959	9.22%	\$ 43,041	23.04%
Patrol	\$ 10,309,296	\$ 10,309,296	\$ 1,667,982	16.18%	\$ 1,396,305	19.46%
Community Service	\$ 536,857	\$ 536,857	\$ 71,730	13.36%	\$ 64,627	10.99%
Police Contracts	\$ 618,423	\$ 618,423	\$ 83,651	13.53%	\$ 93,449	-10.49%
Officer Training	\$ 422,744	\$ 426,950	\$ 55,273	12.95%	\$ 33,067	67.15%
Detention Center	\$ 128,291	\$ 128,291	\$ 19,914	15.52%	\$ 26,011	-23.44%
Total Police Department	\$ 19,805,662	\$ 19,896,609	\$ 2,945,500	14.80%	\$ 2,578,375	14.24%
Fire Department:						
Administration	\$ 1,295,743	\$ 1,295,743	\$ 215,271	16.61%	\$ 180,672	19.15%
Fire Fighting	\$ 11,371,988	\$ 11,373,482	\$ 1,574,359	13.84%	\$ 1,578,718	-0.28%
Total Fire Department	\$ 12,667,731	\$ 12,669,225	\$ 1,789,629	14.13%	\$ 1,759,389	1.72%
Dispatch	\$ 939,239	\$ 939,239	\$ 289,259	30.80%	\$ 234,810	23.19%
Emergency Services	\$ 232,446	\$ 236,652	\$ 32,916	13.91%	\$ 30,658	7.37%
Total Public Safety	\$ 33,645,078	\$ 33,741,725	\$ 5,057,305	14.99%	\$ 4,603,232	9.86%
Public Works:						
Storm Cleanup/Extraordinary Event	\$ -	\$ -	\$ -	0.00%	\$ 26	-100.00%
Parks Building & Maint	\$ 507,859	\$ 507,859	\$ 156,683	30.85%	\$ 77,902	101.13%
Willard Beach	\$ 33,563	\$ 33,563	\$ 8,553	25.48%	\$ 4,710	81.59%
Linear Park Maint & Development	\$ 65,575	\$ 65,575	\$ 8,653	13.20%	\$ 5,602	54.45%
Downtown Maintenance	\$ 792,340	\$ 792,340	\$ 152,797	19.28%	\$ 71,506	113.68%
Retention Basin Rehabilitation	\$ 100,000	\$ 100,000	\$ 16,667	16.67%	\$ -	#DIV/0!
Street Lighting	\$ 1,327,000	\$ 1,327,000	\$ 95,517	7.20%	\$ 102,945	-7.22%
Outside Services	\$ 58,143	\$ 58,143	\$ 7,509	12.91%	\$ 4,076	84.22%
Total Public Works	\$ 2,884,480	\$ 2,884,480	\$ 446,378	15.48%	\$ 266,768	67.33%

CITY OF BATTLE CREEK, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Two Months Ending August 31, 2021

	Original Budget	Current Adjusted Budget	Current Year Actual	% CY Actual of Current Adjusted Budget	Prior Year Actual	% CY Actual Over (Under) PY Actual
Expenditures (Continued)						
Recreation:						
Administration	\$ 294,805	\$ 294,805	\$ 30,154	10.23%	\$ 54,564	-44.74%
Sports	\$ 504,440	\$ 504,440	\$ 77,417	15.35%	\$ 77,060	0.46%
Binder Park Golf Course	\$ 1,258,113	\$ 1,258,113	\$ 261,762	20.81%	\$ 246,323	6.27%
Youth Center & Water Park	\$ 1,094,267	\$ 1,094,267	\$ 264,621	24.18%	\$ 59,178	347.16%
Total Recreation	\$ 3,151,625	\$ 3,151,625	\$ 633,953	20.12%	\$ 437,124	45.03%
Unallocated:						
Internal Admin Svcs Allocation	\$ (2,195,770)	\$ (2,383,218)	\$ (397,210)	16.67%	\$ (413,329)	-3.90%
Other	\$ 850,403	\$ 850,403	\$ 8,625	1.01%	\$ 6,308	36.73%
Total Unallocated	\$ (1,345,367)	\$ (1,532,815)	\$ (388,585)	25.35%	\$ (407,021)	-4.53%
Total Expenditures	\$ 46,322,813	\$ 46,244,863	\$ 6,819,459	14.75%	\$ 5,949,781	14.62%
Revenue Over Expenditures	\$ (3,424,855)	\$ (3,534,353)	\$ 12,872,317		\$ 13,372,625	
Other Financing Sources (Uses):						
Operating Transfers Out:						
2013 Capital Improvement Bonds	\$ (705,611)	\$ (705,611)	\$ -	0.00%	\$ -	0.00%
2016 Capital Improvement Bonds	\$ (1,053,600)	\$ (1,053,600)	\$ -	0.00%	\$ -	0.00%
Transit Subsidy	\$ (229,995)	\$ (229,995)	\$ (38,333)	16.67%	\$ (38,333)	0.00%
Other	\$ (335,830)	\$ (335,830)	\$ (40,000)	11.91%	\$ -	#DIV/0!
Transfers From Component Units	\$ 2,001,672	\$ 2,077,996	\$ 346,333	16.67%	\$ 329,142	5.22%
Sale of Fixed Assets	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Transfer from Other	\$ 117,640	\$ 117,269	\$ 19,545	16.67%	\$ 19,545	0.00%
Total Other Financing Sources (Uses)	\$ (205,724)	\$ (129,771)	\$ 287,545	-221.58%	\$ 310,354	-7.35%
Revenue and Other Sources Over (Under) Expenditures and Other Uses	\$ (3,630,579)	\$ (3,664,124)	\$ 13,159,862		\$ 13,682,979	
Fund Balance, Beginning of Year	\$ 12,495,232	\$ 12,495,232	\$ 12,495,232			
Fund Balance (Deficit), End of Period	\$ 8,864,653	\$ 8,831,108	\$ 25,655,094			

CITY OF BATTLE CREEK, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
For the Two Months Ending August 31, 2021

	Major Street and Trunkline Maintenance Fund				
	Current Adjusted Budget	Current Year Actual	% CY Actual of Current Adjusted Budget	Prior Year Actual	% CY Actual Over (Under) PY Actual
Revenue					
Intergovernmental Revenue	\$ 7,395,000	\$ 16,022	0.22%	\$ 11,306	41.71%
Charges for Service - Other	\$ 500	\$ -	0.00%	\$ -	0.00%
Interest	\$ -	\$ -	0.00%	\$ 821	-100.00%
Rents and Leases	\$ 21,000	\$ 5,362	25.53%	\$ 5,237	2.39%
Loan Collection (Distribution) and Other	\$ 500	\$ 10,557	2111.47%	\$ 10,214	0.00%
Total Revenue	<u>\$ 7,417,000</u>	<u>\$ 31,941</u>	<u>0.43%</u>	<u>\$ 27,578</u>	<u>15.82%</u>
Expenditures					
Highways and Streets	<u>\$ 7,123,257</u>	<u>\$ 788,333</u>	<u>11.07%</u>	<u>\$ 455,829</u>	<u>72.95%</u>
Total Expenditures	<u>\$ 7,123,257</u>	<u>\$ 788,333</u>	<u>11.07%</u>	<u>\$ 455,829</u>	<u>72.95%</u>
Revenue Over (Under) Expenditures	<u>\$ 293,743</u>	<u>\$ (756,392)</u>		<u>\$ (428,250)</u>	
Other Financing Sources (Uses)					
Operating Transfers Out:					
Local Streets Fund	\$ (2,000,000)	\$ (333,333)	16.67%	\$ (335,000)	-0.50%
Major Street Const. Fund	\$ (500,000)	\$ (83,333)	0.00%	\$ -	0.00%
Auto Parking Fund	\$ (9,000)	\$ (1,500)	16.67%	\$ (1,500)	0.00%
Other	\$ -	\$ -	0.00%	\$ -	0.00%
Total Other Financing Sources (Uses)	<u>\$ (2,509,000)</u>	<u>\$ (418,167)</u>	<u>16.67%</u>	<u>\$ (336,500)</u>	<u>0.00%</u>
Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (2,215,257)</u>	<u>\$ (1,174,559)</u>		<u>\$ (764,750)</u>	
Fund Balance, Beginning of Year	<u>\$ 4,421,992</u>	<u>\$ 4,421,992</u>			
Fund Balance (Deficit), End of Period	<u>\$ 2,206,735</u>	<u>\$ 3,247,433</u>			

CITY OF BATTLE CREEK, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
For the Two Months Ending August 31, 2021

	Local Street Fund				
	Current Adjusted Budget	Current Year Actual	% CY Actual of Current Adjusted Budget	Prior Year Actual	% CY Actual Over (Under) PY Actual
Revenue					
Intergovernmental Revenue	\$ 1,935,000	\$ -	0.00%	\$ 0	-100.00%
Charges for Services	\$ 500	\$ -	0.00%	\$ -	0.00%
Interest	\$ -	\$ -	0.00%	\$ 670	-100.00%
Loan Collection (Distribution) and Other	\$ -	\$ 947	0.00%	\$ -	0.00%
Total Revenue	\$ 1,935,500	\$ 947	0.05%	\$ 671	41.26%
Expenditures					
Highways and Streets	\$ 4,075,050	\$ 516,762	12.68%	\$ 405,032	27.59%
Total Expenditures	\$ 4,075,050	\$ 516,762	12.68%	\$ 405,032	27.59%
Revenue Over (Under) Expenditures	\$ (2,139,550)	\$ (515,814)		\$ (404,361)	
Other Financing Sources (Uses)					
Operating Transfers In:					
Major Street, General Fund and Other	\$ 2,000,000	\$ 333,333	16.67%	\$ 335,000	-0.50%
Total Other Financing Sources (Uses)	\$ 2,000,000	\$ 333,333	16.67%	\$ 335,000	-0.50%
Revenue and Other Sources Over (Under) Expenditures and Other Uses	\$ (139,550)	\$ (182,481)		\$ (69,361)	
Fund Balance, Beginning of Year	\$ 1,177,946	\$ 1,177,946			
Fund Balance (Deficit), End of Period	\$ 1,038,396	\$ 995,465			